



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

CECW-PB

OCT 5 2010

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Revised Implementation Guidance for Section 2007 of the Water Resources Development Act of 2007 – Use of Other Federal Funds

1. Purpose. This memorandum provides revised guidance on Section 2007 of the Water Resources Development Act of 2007 and supersedes the implementation guidance issued on 28 March 2008. A copy of Section 2007 is attached.

2. Background.

a. Section 2007 authorizes a non-Federal interest for a water resources study or project to use, and the Secretary to accept, funds provided by a Federal agency under any other Federal program, to satisfy, in whole or in part, the non-Federal share of the cost of the study or project if the Federal agency that provides the funds determines that the funds are authorized to be used to carry out the study or project.

b. Policy Guidance Letter No. 13 subject: Use of Federal Funds to Meet Local Cost Sharing Requirements, dated 25 January 1989 and incorporated into ER 1165-2-131, dated 15 April 1989, requires that language be included in cost sharing agreements that would prohibit use of Federal funds by non-Federal sponsors to satisfy any part of the non-Federal cost share unless the Federal agency providing such funds verified in writing that expenditure of such funds to satisfy any part of the non-Federal cost share for the Corps study or project is expressly authorized by statute. Language specifically addressing non-Federal use of Federal funds to satisfy the non-Federal cost share has been included in approved cost sharing agreement models and project specific agreements since 1989.

3. Implementation Guidance. Our practice, as reflected in Policy Guidance Letter No. 13, allowed a non-Federal sponsor to use Federal funds to satisfy, in whole or in part, the non-Federal share of the costs of a study or project if the Federal agency providing such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law. However, Section 2007 of WRDA 07 provides that if a Federal agency determines that funds it provided a non-Federal sponsor are authorized to be used to carry out a specific Corps of Engineers study or project, then whole or in part, the non-Federal share of the cost of that study or project. Therefore,

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the non-Federal sponsor may use, and the Corps may accept, those funds to satisfy, in prior guidance is hereby amended such that it is no longer required that the Federal granting agency must verify that use of the funds to meet the non-Federal cost share for the Corps study or project is expressly authorized in law. Instead, it is sufficient if a letter is obtained from the Federal granting agency that simply states that it has determined that the funds are authorized to be used to carry out the Corps study or project. The name of the Federal granting agency and the date of the letter should be shown in the agreement checklist provided with the draft agreement package.

FOR THE COMMANDER:

A handwritten signature in black ink, appearing to read 'SL Stockton', written over a horizontal line.

STEVEN L. STOCKTON, P.E.
Director of Civil Works

Encl

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